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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/688,628	10/17/2003	Vivian Agura	60655.1800	2587
66170 7590 01/28/2011 Snell & Wilmer L.L.P. (AMEX) ONE ARIZONA CENTER 400 E. VAN BUREN STREET PHOENIX, AZ 85004-2202				
EXAMINER MYHRE, JAMES W				
ART UNIT 3688		PAPER NUMBER		
NOTIFICATION DATE 01/28/2011		DELIVERY MODE ELECTRONIC		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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### Office Action Summary

**Application No.**

10/688,628

**Applicant(s)**

AGURA ET AL.

**Examiner**

JAMES W. MYHRE

**Art Unit**

3688

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 06 January 2011.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 17-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 17-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-912)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on January 6, 2001 has been entered.

### ***Response to Amendment***

2. This Office Action is in response to the Amendment filed on January 6, 2011. The Amendment did not add nor cancel any claims, but did amend Claims 17, 27, and 28. Claims 1-16 were previously canceled. Therefore, the currently pending claims considered below remain Claims 17-33.

### ***Claim Rejections - 35 USC § 112***

3. The Amendment filed on January 6, 2011 amended Claims 17, 27, and 28 to remove the references to "profile and profile information" that were rejected in paragraph 3 of the October 13, 2010 Final Rejection for lack of written description within the Specification; thus, overcoming these rejections. Therefore, **the Examiner hereby withdraws those rejections.**

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 17-33 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The Amendment filed on January 6, 2011 changed steps 6 and 7 in Claims 17, 27, and 28 to read:

*"receiving, by the computer based system, a selection of a second account associated with the at least one of non-tangible item and the associated independent item;*

*requesting, by the computer based system, at least one of profile access information and a selection to create a new account profile for the second account;"*

Thus, a selection of a second account is first made, and then a selection is made to create a new account for the second account. However, the subsequent steps in the claim only refer to accessing the second account and transferring the non-tangible item to the second account. It is unclear as to why a new account is being created, since this "new account" is never used within the claims, only the previously selected second account. The Examiner will assume that the Applicant is attempting to claim that the customer/client is selecting a type of second account to which they desire to transfer the non-tangible item (e.g. charity contribution) and then entering the information required to set up this second account, e.g. name of charity, user name, password, social security number for tax purposes, etc. as is normal when setting up such an account. Of course,

these steps would only be required the first time the customer/client desires to contribute to the charity. During subsequent donations, the customer/client would only need to select the second account that had already been set up.

The Examiner will use this assumption when considering the claims below.

Dependent claims 18-26 and 29-33 inherently include the same limitations as their parents and are likewise rejected.

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

8. Claims 17-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fredregill et al (US 2005/0144074) in view of Davis(US 2004/0193491) and Musharbash (7,096,164).

**Examiner Note:** The Examiner notes that the original invention is directed to calculating the amount of loyalty points and monetary value needed to complete a purchase transaction of one or more items. The Amendment filed on January 6, 2011 adding a new clause to the independent claims (17, 27, and 28) directed to determining if the non-tangible item being purchased is a dependent or independent item and requiring the purchase of the associated independent item if the non-tangible item is a dependent item. The Examiner notes that this determination is separate from the loyalty points calculation steps (i.e. the loyalty points would be calculated on the total amount of the purchase whether the items contained therein are dependent, independent, or completely unrelated items). Thus, the Claims are directed to two subcombinations usable together: the loyalty points calculation steps and the dependent or independent item determining steps. Since the two sets of steps are shown together in a single claim, the Examiner will not require a Restriction, but will address each subcombination separately below.

Claims 17, 27, and 28: Fredregill discloses a system, method and computer-readable storage medium for managing an on-line marketplace, comprising:

- a. receiving a selection of a non-tangible item (e.g. a service or "certificates for travel related awards")(page 2, paragraph 0016; page 5, paragraph 0031; page 10, paragraph 0056; and page 13, paragraph 0072);
- b. placing an indicator of the non-tangible item in an electronic shopping cart (page 10, paragraph 0056 and page 13, paragraph 0072);
- c. receiving a first request to purchase the non-tangible item (page 13, paragraph 0072 - page 14, paragraph 0073);
- d. calculating a first amount of at least one of a loyalty points and a monetary value of said loyalty points to purchase the non-tangible item (page 13, paragraph 0072 – page 14, paragraph 0073); and
- e. debiting first loyalty points from a first loyalty account for applying to at least a portion of the first amount (page 13, paragraph 0072 – page 14, paragraph 0073).

Fredregill does not explicitly disclose receiving account information for a second selected account associated with the non-tangible item and transferring the non-tangible item to the second account. However, Davis discloses a similar system, method, and computer-readable medium for managing an on-line marketplace in which the consumer identifies a second account (e.g. charity, retirement savings account, or mutual fund)(Figure 13, item 1320 and page 3, paragraph 0032 and paragraph 0036 – page 4, paragraph 0040) into which the non-tangible item (cash value of the redeemed loyalty

points) is transferred (page 4, paragraph 0040). Davis also discloses several known programs that allowed a consumer to redeem loyalty points or miles for merchandise or donations to charity (e.g. GoldPoints™, TruCash™, TLS™, MileDonor™, etc.), for cash rebates (e.g. TruCash™), and for gift certificates of any amount over \$25 to the recipient of their choice (e.g. SaveDaily™). Finally, Davis further discloses allowing the consumer to select to redeem their earned loyalty points by transferring the monetary equivalent to an investment account or to the account of another member (Figures 9 and 12). Additionally, Davis discloses requesting and receiving from the consumer a selection of a second account (e.g. a new investment account) or information about the second account (e.g. an existing investment entity and account number), i.e. newly added limitations of *"requesting, by the computer based system, at least one of access information and a selection to create a new account for the second account;"* and *"accessing by the computer based system the second account in response to receiving the second account information, wherein the second account information is received to define the non-tangible-item."* Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Fredregill to allow the consumer to purchase non-tangible items such as investments into mutual funds/IRA accounts, charities, or cash rebates and to enter the profile information about the desired second account. One would have been motivated to allow the consumer to purchase such non-tangible items in order to assist consumers to set aside funds for savings and to increase charity donations as discussed by Davis (page 1, paragraph 0003).



Fredregill also does not explicitly disclose determining whether the non-tangible item is an independent or dependent item and if it is a dependent item requiring the associated independent item be purchased (i.e. suspending the purchase of the dependent item until the associated independent item is selected for purchase). Fredregill does disclose calculating and displaying the loyalty points and monetary value needed to purchase all the items in the purchase order, i.e. either the non-tangible item by itself if it is an independent item or both the non-tangible item and the associated independent item if the non-tangible item is a dependent item. The Examiner notes that the calculation of loyalty points required for the purchase would depend on the total cost of the items being purchase and not on whether they are dependent or independent items. Furthermore, it is old and well known for merchants to require the purchase of one product before allowing the purchase of a linked product. For example, many computer software expansions require the user to either already have the basic software or to purchase it along with the expansion. Another example would be merchants who help customers design their own computer system to purchase by receiving a selection of a component from the customer, checking to see if that component requires or is compatible with another component (i.e. whether it is an independent or dependent component), and preventing the purchase of the system until all components are deemed compatible (no outstanding dependent components). Musharbash discloses such a system in which the customer selects various components and the system checks to ensure compatibility. For example, the system will check the power consumption of the selected components to ensure they are below

the output of the power supply. If the user selects an additional component that causes the total power consumption to exceed the output, the system notifies the customer that the power supply must be replaced with one that has a higher power output (which may also require a better air cooling system (fan), etc.)(column 13, line 50 – column 14, line 30). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Fredregill to validate the selected item to determine whether it was an independent item or a dependent item that required an additional item (independent item). One would have been motivated to make this determination in order to ensure that the customer would be able to use the dependent item, (e.g. an expansion to a on-line game is useless without the original game program).

Claims 18-20: Fredregill, Davis, and Musharbash disclose the method as in Claim 17 above, and Davis explicitly discloses that the non-tangible item is a donation to charity, an investment in a retirement savings account (e.g. IRA account), or a cash rebate (i.e. monetary credit) (page 1, paragraph 0004 and page 3, paragraph 0032). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Fredregill to allow the consumer to purchase non-tangible items such as investments into mutual funds, retirement account (IRAs), charities, or to receive cash rebates. One would have been motivated to allow the consumer to purchase non-tangible items in order to assist customers to set aside funds for savings and to increase charity donations as discussed by Davis (page 1, paragraph 0003).

Claim 21: Fredregill, Davis, and Musharbash disclose the method as in Claim 17 above, but do not explicitly disclose that the non-tangible item is frequent flyer miles. However, Fredregill discloses a "transfer points function" that "allows the retailer to assist customers in consolidating points between two customer accounts." (page 7, paragraph 0041). Additionally, Davis discloses that the consumer selects the desired option for redeeming the loyalty points, where "These options include, but are not limited to, cash, college savings fund, retirement savings fund, mutual fund, money market account, a bond, savings account, checking account, charity savings account and any other financial vehicle." (page 3, paragraph 0037). The Examiner notes that "any other financial vehicle would include other loyalty programs such as frequent flyer miles or frequent shopper points. Furthermore, converting one type of loyalty award (e.g. points) for another type of loyalty award (e.g. miles) was well known at the time of the invention as shown by Dokken et al (US 2003/0225619)(Abstract). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Fredregill to allow the consumer to exchange (redeem) the loyalty points for frequent flyer miles or any other loyalty award. One would have been motivated to allow the consumer to exchange one type of award for another type in order to expedite reaching the required number of frequent flyer points for a desired prize, e.g. if the consumer is 500 frequent flyer points short of a desired prize, transferring the equivalent value of loyalty points to the frequent flyer account would allow the consumer to attain the prize without having to wait until they complete another flight (which may be months away for an individual, non-business consumer).

Claim 22: Fredregill, Davis, and Musharbash disclose a method as in Claim 17 above, and Fredregill further discloses determining that the first loyalty account had an insufficient balance of points for the desired redemption, associating a second account with the consumer, and debiting the second account to cover the insufficient balance (page 7, paragraph 0041 and page 10, paragraph 0058 – page 11, paragraph 0059). Fredregill discloses a “transfer points function” that “allows the retailer to assist customers in consolidating points between two customer accounts.” (page 7, paragraph 0041).

Claim 23: Fredregill, Davis, and Musharbash disclose a method as in Claim 17 above, and Fredregill further discloses determining a conversion ratio that is a mathematical proportion used to calculate a monetary value associated with the first loyalty points (page 5, paragraph 0027-0029 and page 12, paragraph 0065).

Claim 24: Fredregill, Davis, and Musharbash disclose a method as in Claim 23 above, and Fredregill further discloses displaying a points calculator that is configured to determine a number of first loyalty points needed to purchase the non-tangible item (page 10, paragraphs 0056 and 0058).

Claim 25: Fredregill, Davis, and Musharbash disclose a method as in Claim 17 above, and Fredregill further discloses receiving a second request to purchase a tangible item (page 2, paragraph 0016; page 10, paragraph 0056; and page 13, paragraph 0072); calculating a second amount of loyalty points necessary to purchase the tangible item (page 13, paragraph 0072 – page 14, paragraph 0073); debiting the first loyalty account for the second amount of loyalty points (page 13, paragraph 0072 – page 14, paragraph 0073); and receiving shipping information associated with the tangible item (page 4, paragraph 0024 and page 10, paragraph 0058 – page 11, paragraph 0059). Fredregill discloses the consumer selecting a plurality of desired items, placing the selected items in a shopping cart, and keeping a running total of the number of loyalty points needed to purchase each item, subcombinations of items in the shopping cart, or all of the items in the shopping cart. Based on the consumer's selection of item(s) (if any) desired to be purchased using loyalty points, the system automatically calculated and debits the loyalty account with the appropriate number of loyalty points.

Claim 26: Fredregill, Davis, and Musharbash disclose a method as in Claim 17 above, and Davis further discloses associating the second account with the on-line marketplace (page 3, paragraph 0036). Davis discloses that the consumer is shown a list of account payout options from which to select the desired account to which the monetary value of the redeemed loyalty points will be deposited. These accounts from which the consumer can select are pre-approved by the issuer, i.e. they are associated with the on-line marketplace. Therefore, it would have been obvious to one having ordinary skill

in the art at the time the invention was made for Fredregill to associate the second accounts (e.g. charities) with the on-line marketplace. One would have been motivated to associate the accounts with the marketplace (e.g. pre-approve) in order to assure they are legitimate accounts, thereby protecting the consumer from unscrupulous "charities" or other investment accounts.

Claims 29-33: Fredregill, Davis, and Musharbash disclose a method as in Claim 25 above, and Musharbash discloses determining whether the tangible item is an independent or dependent item, i.e. whether the purchase of the item (independent item) is a prerequisite before purchasing of another item (dependent item), and offering the consumer the corresponding independent or dependent item(s) based on the type of item initially selected (e.g. recommending a higher power supply). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Fredregill to make such determinations and to present the offers to the consumer. One would have been motivated to make these offers in order to increase the total sum of the transaction, thus increasing profits for the merchant, and to ensure usability of the purchased item(s).

### ***Response to Arguments***

9. Applicant's arguments filed January 6, 2011 have been fully considered but they are not persuasive.

a. The Applicant attempted to traverse the Official Notice taken in paragraph 7 of the October 13, 2010 Final Rejection (pages 8-9), but did not present any arguments that would cause one of ordinary skill in the art to doubt that the Officially Noted limitation was well known at the time of the invention. A mere request for a reference is not a traversal.

"Bald statements such as: 'the examiner has not provided proof that this element is well known' or 'applicant disagrees with the examiner's taking of Official Notice and hereby requests evidence in support thereof', are not adequate and do not shift the burden to the examiner to provide evidence in support of Official Notice. Allowing such statement to challenge Official Notice would effectively destroy any incentive on the part of the examiner to use the process of establishing a rejection of notoriously well known facts." *In re Boon*, 169 USPQ 231 (CCPA 1971)

However, this has been rendered moot in view of the new rejection above in which Musharbash has been cited as disclosing this and other newly added limitations.

b. The Applicant argues in reference to Davis that it requires the user to obtain a certification from the loyalty system and then "leave the first system and interact with a separate system to redeem the reward" (pages 9-10). However, the Examiner notes that Davis also discloses that this redemption (depositing the monetary equivalent of the redeemed loyalty points into a second account) may also take place automatically without the user's intervention (except the first time when setting up the second account, e.g. charity account or savings bond). *"To make the deposit into Consumer A's mutual fund, first there is a verification process to confirm that Consumer A has the specified account with the specified financial institution. Once the verification process has been completed, the deposit will be made on a periodic basis."* (page 4, paragraph 0040). Davis further discloses several known loyalty systems such as TruCash® in which the user may redeem their loyalty points as "donations to any one of

a list of client-selected charities” and Trilegiant Loyalty Solutions (TLS) that “allow the conversion of earned flyer miles into a donation to charity” (page 1, paragraph 0004). Thus, systems in which the loyalty points are converted and deposited into a selected charity account were known and would have been obvious to use to make the automatic periodic donations in order to preclude the requirement that the user access the loyalty and/or redemption websites in order to manually make a donation to the charity.

c. The Applicant’s argument in reference to the newly added limitations in the independent claims of determining whether the non-tangible item is a dependent or independent item (page 11) has been addressed in the new rejection above using the Musharbash reference.

### ***Conclusion***

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Postrel (6,594,640) discloses a method and system for redeeming accumulated frequent use (loyalty) rewards in which the user may transfer rewards from other loyalty programs in order to have the required number of points for the current transaction.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES W. MYHRE whose telephone number is (571)272-6722. The examiner can normally be reached on Monday through Thursday 6:00-3:00.



If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

JWM  
January 24, 2011

/James W Myhre/  
Primary Examiner, Art Unit 3688